

REASONS FOR SETTLEMENT

This statement accompanies the Stipulated Final Judgment for Civil Penalties and Permanent Injunctive Relief ("Final Order") executed by defendants, Member Source Media LLC and Chris Sommer, in settlement of an action brought to recover penalties and other equitable relief from defendants for engaging in acts or practices in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a), and the CAN-SPAM Act, 15 U.S.C. §§ 7701 et seq.

Pursuant to Section 5(m)(3) of the Federal Trade Commission Act, as amended (15 U.S.C. § 45(m)(3)), the Commission hereby sets forth its reasons for settlement by entry of a Final Order:

On the basis of the allegations contained in the attached Complaint, the Commission believes that the payment of \$200,000 in civil penalties by the defendants, Member Source Media LLC and Chris Sommer, constitutes an appropriate amount upon which to base a settlement. The amount should assure compliance with the law by defendants and others who may be in violation of the CAN-SPAM Act. The provisions enjoining the defendants from failing to comply with the CAN-SPAM Act and from failing to disclose material information as required by the FTC Act should assure their future compliance with the law. With the entry of such Final Order the time and expense of litigation will be avoided.

For the foregoing reasons, the Commission believes that the settlement by entry of the attached Final Order with Member Source Media LLC and Chris Sommer is justified and well within the public interest.